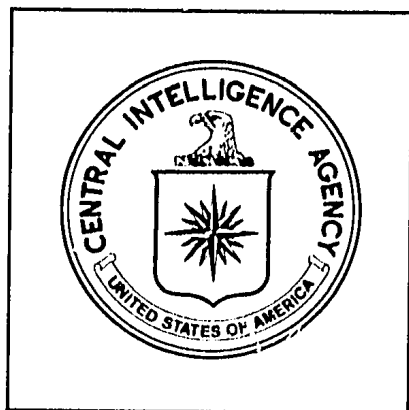


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## STAFF NOTES:

# Western Europe Canada International Organizations

State Dept. review  
completed

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**WESTERN EUROPE – CANADA – INTERNATIONAL ORGANIZATIONS**

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Western European Reaction to Preparatory  
Conference of Oil Producer and Consumers

The Western European states have expressed disappointment at the breakdown of the Paris energy talks last week. They nevertheless believe that the oil-consuming nations could not have made further concessions without capitulating to the demands of the Algerian-led coalition of oil-producing and developing states.

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The British and Dutch believe that the failure of the French-sponsored meeting will strengthen the International Energy Agency, of which only France among the EC Nine is not a member. The Dutch Foreign Minister reportedly feels that France acted prematurely in organizing the conference and that there should have been more careful planning and cooperation.

An Italian energy official claimed that the technical level of the delegations had not permitted sufficient flexibility and supported the view of most EC states that prospects are poor for another meeting in the near future. Swiss and Swedish officials said the outcome of the conference reemphasized the importance of consumer country cooperation through the International Energy Agency and attributed the failure to over-optimism by France and a misunderstanding of the purpose of the talks on the part of the developing states.

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As the organizer of the conference, Paris has tried to minimize the significance of the collapse. A French official said that Paris was not discouraged by the failure of the talks and believes the need for an energy conference is as great as ever. The official added that France would continue its own efforts to reduce energy consumption and to develop alternate energy sources. Even though Paris does not intend to join the International Energy Agency, it will continue to cooperate with the agency.

As originally conceived by President Giscard, the Paris conclave was to be a preparatory meeting that would pave the way for a later conference to examine energy and related problems. The ten participants failed to agree on an agenda for the future meeting, however, when the Algerian-led coalition of oil producers and developing states demanded that the industrialized states--represented by the US, Japan and the EC--agree first to a full discussion of economic development issues and the role of raw materials. The industrialized states maintained that the conference should be restricted to a discussion of energy issues, or at most only to those raw materials that relate directly to energy issues.

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Icelandic Media Reacts to Foreign Minister's  
Moscow Trip

Icelandic Foreign Minister Agustsson's visit to the USSR from April 1-9 has generated complaints and allegations in the media of increased Soviet influence in Iceland.

In a television interview on April 18, Agustsson was questioned closely about the new Soviet-Icelandic cultural agreement. He denied that the agreement would facilitate Soviet involvement in Nordic affairs, and rejected speculation that the USSR expects Icelandic support for membership in the Nordic Council.

The US Embassy in Reykjavik has learned that the Soviets intend to initiate a "massive" information and cultural program in Iceland and reportedly have put out "feelers" for an institutional link to the Nordic Council.

The conservative daily Morgunbladid, the official newspaper of one of the government coalition partners, began a campaign immediately following Agustsson's return from Moscow criticizing Icelandic-Soviet relations. Morgunbladid's latest barrage was directed at the new Soviet Ambassador's alleged espionage career.

The media campaign has been an embarrassment to the Icelandic government. Although relations with the Soviets have been strained at times, Reykjavik has tried to bill the Agustsson trip as a great success.

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British Anti-marketeers Describe Scenario for  
Withdrawal from the EC

A group of anti-marketeer ministers has suggested a scenario for Britain's "orderly" withdrawal from the EC if the referendum on June 5 should point in this direction. They have stated clearly that the referendum vote itself cannot take Britain out of the EC, and that parliament will have to repeal the European Communities Act and revoke the treaty of accession.

Parliament's involvement in the withdrawal process, however, is in dispute. Some legal experts say that Britain adheres to these treaties by executive act and so they can be broken by executive act. Others say that because the Act of 1972 incorporates certain portions of community law into English and Scottish domestic law, the act remains in effect until it is repealed.

Whether parliament would support a negative referendum outcome, furthermore, is not assured. Several amendments to the referendum bill now in committee are proposing that members of parliament have a free vote on whether to stay in the EC and that the referendum vote be advisory rather than binding. Parliament voted 396 to 170 earlier this month in favor of supporting the government's recommendation that Britain retain its European ties. If a free vote were permitted, the Tories, joined by Liberals and pro-market Laborites, possibly could defeat legislation calling for British withdrawal. Several months ago, however, Prime Minister Wilson said that he was sure members of parliament would vote in accord with the wishes of the people. If the vote is tallied by county or constituency, the members of parliament may be under pressure to vote as their constituents did.

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The anti-marketeers want the effective withdrawal date to be January 1, 1976. In the interim, Britain would attend committee meetings but would not "contribute to the development of future community policies." The other EC members, however, probably would hesitate to let Britain participate under these circumstances. Britain's budget contributions would be paid through the end of this year.

At the same time, Britain would begin discussions with the other EC members for withdrawal and would be looking for alternatives to EC membership--probably the European Free Trade Association. London simultaneously would conduct discussions with the commonwealth countries to replace the agreement these countries now have with the EC.

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Italian Labor Unity Question Still Unresolved

A majority of Italy's top labor leaders last week endorsed in principle the eventual formation of a single national labor organization, but the minority that fears Communist domination of the labor movement is strong enough to block implementation of the plan in the near future.

The majority vote for unification resulted mainly from the unanimous support given by representatives of Italy's largest labor organization--the Communist-dominated General Confederation of Italian Workers (CGIL). Their support alone accounted for 65 percent of the vote in favor of unification.

Any effort to put the plan into effect, however, will be hindered by dissent within the other two major labor organizations--the Christian Democratic-oriented Confederation of Trade Unions (CISL) and the Union of Italian Labor (UIL), a mixture of Social Democrats, Socialists, and Republicans. Opponents of labor unity have enough strength within both organizations to prevent either from taking the next step on the way to a single national labor union--the dissolution of the existing confederations.

Apart from the bitter personal rivalries that divide Italian labor leaders, opposition to merger of the three confederations centers on the question of whether they can achieve genuine separation from the country's political parties. Those against merger maintain that, without such autonomy, Communist control of the new organization would be assured.

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Communist labor leaders have gone through the motions of resigning their party positions, but labor unity opponents remain unconvinced. Their skepticism was undoubtedly reinforced by the prominent role given to the top Communist labor leader in the party's recent national congress.

The Communist answer to opponents of the merger has been a call to press ahead toward unification with "those who are willing," even at the risk of a split in the labor movement. In addition to the enhanced economic leverage it would give them, the Communists see labor unification as another way of conditioning the Christian Democrats to eventual acceptance of Communist participation in the government.

Further decisions on labor unification are likely to be deferred until after the important nationwide local elections this June. In the meantime, the labor leaders will at least be able to present a unified front in reacting to the recent upsurge in violence by right and left-wing extremists. They voted to protest the "fascist" provocations by calling two brief general strikes, one last week and the other yesterday.

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